

SOCIAL ACTION

VOL. 4 No. 5

MAY 1954

HERE AND THERE	A. L.	157
THE CASE OF THE GOLD & SILVERSMITHS	C. C. CLUMP	161
THE METHODS OF ECONOMIC DEMOCRACY	J. S. CONNOR	169
REPORT ON SOUTH-KANARA	E. DE MEULDER	185
AMERICAN SELF-CRITICISM	N. C. W. C.	190
SOCIAL SURVEY	E. GATHIER	191

HERE AND THERE

Democratic Thrill

Boys are thrilled when they see the school-bully go down in a fight, the top-lad founder in an elocution competition, or the headmaster slip on a banana skin. It is not sheer wickedness; it is rather an egalitarian exhilaration at having a proof that the best are well within the range of human frailty.

Genuine democrats experience a like pleasurable horror when a law is declared void, ultra vires, unconstitutional by the Supreme Court; they do not dislike proofs that our legislators are as clumsy bunglers as themselves. Recently we had a spate of such proofs, when laws on trusts and religious endowments passed in Madras, Bombay and Orissa were badly knocked about by the Supreme Court.

Our law-givers had set their heart on having law and order everywhere and they judged it was best to start at the top and bring mundane clarity in the sphere of religion. They were Hindus in the majority and they fancied they knew all about Hinduism. They were

resigned to leave the mystical peaks to priests, shebaites and mahants ; they were content with controlling the economics of temples and maths. But they lost sight of the obvious. Men are body and soul ; they need and want things temporal for their religious pursuits, temples, ceremonies, pilgrimages, etc. ; religious practice is embodied in economic realia, and free religious practice demands the free disposal of such realia. By taking hold of them, our law-givers tended to hamper religious freedom. It was no wonder the Supreme Court declared several important clauses of the laws invalid and contrary to religious fundamental rights.

Who could have dreamed of having a state official controlling and directing the surplus funds of religious bodies to any purpose, or his being substituted for the religious head of a temple or monastery and over-ruling shebait and mathadhipatti ? One even wonders the appellants did not submit several other clauses to the Supreme Court, *f.i.* the powers of inspection of Charity Commissioners. How could state officials, Hindu, Muslim, Christian, Parsee, (the text is broad enough to fancy such nominations) go and inspect or check sanctuaries, statues, and books, sacred vessels and reliquaries, anything pertaining to a cult which is not theirs ? Would not this offend the legitimate feelings of people ? Evidently the state legislatures did not fancy they were doing wrong. But why did they not take time to think out what religious practice implies and what religious freedom involves. My masters, look before you leap !

Paying for Laws

The honorarium paid to the honourable members of the Legislative Assemblies is being revised. Should it be raised to the level of a living wage or kept at the standard of a part-compensation? In other words, which is better for a democracy: to have professional law-makers or to be satisfied with citizens who have a fair job and devote spare-time to discuss and pass laws? The answer is not easy.

Full time legislators tend to turn into yes-men since their living depends on the political committees which decide on candidates and constituencies. On the other hand, part-time men are prone to absenteeism and remissness. For a long period of democratic growth, tradition dreamed only of part-time men; but with popular representation and universal suffrage provision had to be made for representatives belonging to the lowest income-group. But even these should remain in touch with the realities of life and with their constituents. Representatives maintained within the currents of national life may be partial to particular interests, but the particular interests and grievances of one or other class or professions are mixed with the other particular interests and grievances, and in this way we get the dissonant harmony of the national parliament.

On the contrary full-time men would easily develop into a new class cut adrift from the people and the people's daily life. Nor should it be objected that full-time men are needed to prepare, discuss and vote legislation; much of the work is done by experts in law

and administration. What the people's representatives can do best is to know, understand and voice the general needs and desires of the people. This would take the whole of their free time and thinking power. Nor should they seek to remedy all situations and conditions by dint of legislation. With a little less law-making in Parliament, there might be more law-abiding in the land.

Ministerial Allergy

Representatives need time to make out what they represent ; ministers need more time to make out whom they minister to and what they administer. All need leisure, plenty of thoughtful leisure to cure prejudices and allergies. Prejudices and allergies readily come out when dealing with delicate matters like religious liberty. The officials of the Home Department can rattle off the texts relevant to fundamental rights, but in practice some of them betray un-secular allergies. A sadhu boasts he has converted 10,200 Christians to Hinduism ; officials have no comment. The Pakistan Government makes an official complaint about conversions of Mohammedans to Hinduism ; no reply is given. Noisy Communists convert pious Hindus to atheism ; silence. But let an animist asks for baptism ; at once the Home Minister delivers a little homily : Christian priests may propagate Christianity, they should not make Christians.

Why this un-secular discrimination ? Is not this a clear case of psychological allergy ?

A. L.

THE CASE OF THE GOLD & SILVERSMITHS

"Before the coming of Trade Unions and the Industrial Disputes Acts, there was never any trouble in my factory" contended management, and labour expressed its view saying, "Management began harassing us ever since we showed a desire to organise as a Union." These two views, which the author of this article heard during the investigation of a management-labour dispute of a large firm of jewellers in an Indian city, give a fairly good picture of the deeper causes of this trouble. In fact, it was found that within recent times all was not well in this small but interesting industrial group. In the past, and till about 1953, management had to deal with unorganized labour which, through force of economic circumstances, never questioned the action of employers. However, with the growing management-labour difficulties in the city, the precariously poised peace in the jewellery industrial began to show signs of strain. Viewing Trade Unionism as being merely a fighting-machine of the working-classes, as it is, unfortunately, still looked upon by large sections of both labour and management, the employers of this firm began a "stronger" policy towards their workers, when the latter began to organize. This policy was expressed by converting a monthly wage-system into one of a daily wage-system, and by introducing other changes in the working conditions of the factory. Labour, on its side, now sought protection by establishing a Union which was formally set up on January

10th, 1953. Incidentally, it is interesting to note as an example of the exploitation of labour, by so-called 'labour leaders', that these same workers a few months before this Union was founded were harangued by one of these labour leaders who demanded Rs. 200 from them in order to set up their Union. The money was paid, and once more labour was cheated ! In actual fact, all expenses incidental to the establishment of a Trade Union amounts to a bare Rs. 8 as. 4 !

Unfortunately, the establishment of this Union only tended to aggravate management-labour relations, due, by and large, to a complete misunderstanding of the proper aim and purpose of such Unions, by both management and labour. Indeed, it is a commonplace to any one experienced in *practical* problems in the labour world, that there are, today, many employers who look with suspicion on trade union activity and, often with good reason, because very often such unions are used not to advance the peace and harmony in industry, but for other ends outside labour welfare and industrial peace. An attempt to end this period of tension in the firm was made in October 1953, when an agreement was signed by the management and the workers regarding certain points, such as, sick leave, festival leave and gratuity. Apparently, this agreement did not allay suspicions on either side ; and whatever harmony this agreement was intended to bring about was immediately destroyed when, on the very next day, the management sent the work done by some workers for a 'Test' on the grounds of misappropriation of gold by the workers concerned while making the jewel.

The nature of this Test, known to the employees of the firm as a "Purification Test" — since it is supposed to test the purity of the gold in the manufactured article — is both important and essential to an understanding of this dispute. The employees of the firm work with sovereign gold, but this is not the only metal used in the process of manufacture of jewels. In order to fuse joints in the jewel, the workers are also given a quantity of an alloy which is made up of 50% gold, and the other 50% is composed of $\frac{2}{3}$ silver and $\frac{1}{3}$ copper. Now, when the manufactured article is put through a "Purification Test", the acid destroys the alloy, and what remains is the gold originally given to the worker. If, therefore, this quantity of gold, is not equal to the quantity of sovereign-gold which is the value of the article and, which the management maintains is given to the worker with a fixed quantity of alloy, then the difference is charged to the worker on the ground of misappropriation of gold by the use of *extra* alloy. The workers refuse the validity of the Test. They contend that they never work with pure sovereign-gold, for the simple reason that the management buys old golden jewellery, and gold bars commonly known as "Patlock" or "Moosa" gold, and these articles are smelted by the management, no workers being present, and then mixed with American copper in the proportion of 1 : 11 to bring this gold upto the standard sovereign-coin quality. Hence, when an article has been made with this gold, and then put through a "Purification Test", the resultant quantity of metal cannot be gold of the standard sovereign-coin

quality. Therefore, the workers demand a pre-test of the gold given to them for manufacturing jewels. This, the management could not see its way to grant.

Meanwhile, the Purification Test, according to the management revealed that the gold in the manufactured article was not upto standard requirements, and the worker concerned was suspended from work. That this worker happened to be the Secretary of the newly founded Trade Union, was, to say the least, significant ! As the tension now increased between management and labour, the Union sent up their case for Conciliation on October 19th, and asked for a settlement of the following points : (i) The notice served on workers for the misappropriation of gold, of a go-slow policy, etc. (ii) The need of gold being pre-tested, and (iii) The demand for the workers' bonus. The first two points were taken up by the Govt. Labour Officer, but failing to make any headway in the matter of Conciliation, the Officer reported back to the Govt. the failure on November 30th.

With the failure of the Conciliation move, the next step provided by the Government for the settlement of such disputes was now taken, and the Industrial Tribunal was asked to adjudicate. On December 10th, however, the whole dispute took a more serious turn : on the grounds that the workers had begun a go-slow policy the management closed the factory. This action of the management was contested by the Union as being an unjustified "lock-out," while the management protested that their action amounted merely to a "closure" of the factory. On December 25th, the

Labour Commissioner served an Adjudication notice on both labour and management, and February 13th was fixed for the hearing. Meanwhile, as is the case, the Union filed its claims-statement, and the management its counter-statement.

Towards the middle of January, 1954, the writer who was kept informed about this dispute through a local labour organizer, was asked by the Union-workers, just over fifty men, to attempt a compromise-talk with the management. On four occasions the writer met the workers to hear their side of the dispute, and it was no easy task to convince them of the need of a 'give and take' policy if negotiations were to succeed. Without employment and with no strike-pay to back them up, the workers were, indeed, in great distress! But this was only a first step. What would management say? Would it be prepared to accept an outsider as a peace-maker? True, the workers, though all non-Christians had entrusted their cause to a Catholic priest, but would management, also non-Christian, be prepared to do likewise? The management, represented by the proprietor of the firm was approached and acquiesced, provided some concrete proposals were made as the basis of the talks. The minimum demands of the Union were: (i) The opening of the factory immediately. (ii) The reinstatement of all dismissed and suspended workers. (iii) Payment of wages during the lock-out period, and (iv) Payment of bonus and gratuity due to all workers.

On February 6th negotiations began at the residence of the proprietor. The local labour organizer, the Union

secretary, four workers and the writer met the management, and the opening talk was more in the nature of a friendly skirmish! The proprietor, the labour organizer and secretary talked of everything except of that which was uppermost in the minds of all! When this preparatory talk was over and which lasted an hour and a half, the proprietor came to the matter in hand by displaying the many and various articles of jewellery manufactured in his factory—heavy gold anklets, bracelets, bangles and finely wrought necklaces. He then pointed out how easy it was for the workers to defraud him: extra alloy imported by the workers into the factory could be mixed with the gold; the tiny hollows in the links of a gold chain could be filled with alloy, and by so much would the chain be less in gold content, again, alloy could be filled into the hollows of the bases of precious stones, and once more, the gold-value of the jewel could be reduced. Moreover, there was no way of detecting this fraud except by putting the jewel through a “Purification Test”, or by removing the setting of the precious stones, and either method meant a loss to the firm. It was pointed out to the management that, therefore, given the particular nature of this industry there was special need for mutual trust and confidence between management and labour, and something must be done to establish this trust among the workers.

The second and third sessions saw some hard bargaining. The management insisted that it dealt with nothing but pure sovereign-coin gold which it smelted and gave the workers for the manufacture of jewels;

while the workers were as sure that the gold they received for making jewellery was not of the quality of pure sovereign-coin. To an outsider this point seemed easy of solution, if management would only give the sovereigns directly to the workers, who then would do the smelting and use this gold in the manufacture of jewels, or even, allow some workers to be present when the sovereigns were smelted, there would be no cause for suspicion. But this method the management completely refused to accept! However, a compromise was reached whereby, the management granted the workers the right to test the gold they received before manufacturing jewels, while the workers, on their side, withdrew their objection to their work being put through a "Purification Test".

A fourth session was held on February 12th. After a two hour verbal battle and hard bargaining, both parties were ready to draw up a draft agreement, but *Ragu Kalam* intervened! *Ragu Kalam* is the unpropitious hour of the day! and according to this belief any business undertaken during this period is foredoomed to failure! So there was no choice but to adjourn the session. Time, however, was running out, as the next day was fixed by the Industrial Tribunal for the case, and the parties would either have to file their compromise agreement or appear before the Tribunal on February 13th. So an afternoon session which began at 2-30 p.m., and continued till 7 p.m. was held during which the compromise settlement was finally drafted. In brief, the settlement provided, on the side

of management, the reopening of the factory immediately ; the reinstatement of workers without any break in service, except those actually proved dishonest, otherwise than by the "Purification Test" ; the payment of bonus and gratuity and the right to pre-test gold given to workers for the manufacture of jewels. The workers, on their side, accepted the right of the management to have recourse to the Purification Test ; gave up their claim to pay during the period they did not work, and their demand for the reinstatement of three workers who were proved dishonest, otherwise than by the "Purification Test".

On February 13th, at 1-30 p.m., the settlement was filed at the Court of the Industrial Tribunal. That the settlement is not perfect no one doubts, and much depends on the spirit in which it is kept. The frequent meetings between labour and management during the course of the negotiations, certainly, did much to help each party understand the views and difficulties of the other, and an unwritten clause in the settlement provides for such meetings when management or labour judge it useful. In this way, through open and frank talks between management and labour, it is hoped that a spirit of mutual trust and confidence will be fostered, without which there can be little hope for industrial peace in this group, or in any other industrial group.

C. C. Clump

THE METHODS OF ECONOMIC DEMOCRACY

With a blueprint of the basic pattern for a democratic order in the economic sector of society before us, the next thing to be done in our project involves the filling in of the many blank spaces found there with more specific and scientific details. Unless the manner in which the system functions is shown with fuller completeness, it will be rather difficult, to say the least, to secure any serious consideration of the contents by the great majority of those who view it, and to whom it may appear as something radically new. Logical coherence alone, assuming it is there, does not provide the plan with sufficient conviction to assure its favourable acceptance, even on experimental grounds. To entitle it to more than a passing curiosity, and perhaps win for it a closer study of its possibilities as a feasible working model, some more technical features must be added. Supplementary insertions of this sort, then, will constitute the aim of our efforts in the present discussion.

The program for a democratic economic order thus far advanced merely designates what is to be done. Thus it states that the governmental or managerial authority in an enterprise must be constructed along pluralistic lines. This was explained as meaning the establishment of a coalition control comprising the three essential economic parties. Capital, Labour, and Consumer, as jointly necessary and complementary

participants in a productive venture, have proportionately equal claims to exercise the social supervision demanded by the exigencies of the economic situation. Some preliminary distinctions between the respective rights of the several parties-at-interest have been indicated very roughly. These were said to derive from the special differences which characterize the actual investment positions of the three partners. Capital and Labour, as dual producer principals, are entitled to a predominant though not precluding status in the internal productive operations of the enterprise. The Consumer can be credited only with what is at best an advisory rôle in these respects. Going a bit further into the intricacies of the production processes, we noted how the capital interests enjoyed superior prerogatives as regards the regulation of material factors, while labour's primary power was associated with the handling of personnel problems. In the border areas, where the two jurisdictions really coalesce into one, as on questions of wages, hours, prices and profits, management authority is shared in common. Then, with respect to the explicitly external aspects of the enterprise's operations, its implications for consumption in other words, like the varieties, the usefulness, and the composition of the final products, the Consumer was acknowledged as holding the place of preeminence. In all such questions, the Producers inevitably bow before the traditional business principle that "the customer is always right." Given this set of general economic objectives, therefore, the pressing task that remains pertains to the selection of the methods that are to be followed in procuring their fulfilment.

We have likewise already observed how the managerial function in the enterprise partakes of three distinct but coordinated courses of action. There is the legislative or directive one, the judicial or interpretive step, and the executive or administrative procedure. In the first of these evolutions, the numerous principles and policies which guide the industry in its operations are agreed upon. The content of these company statutes, as they might well be called, include matters having implications for both the internal and the external sides of the enterprise's life. That is to say, they are concerned with conditions of consumption as well as production. And on the latter count, they cover complications of both a personal and a material nature. Subsequent and supplemental to these primary management duties will be the responsibilities of interpreting and adjusting more exactly the general tenor and scope of the foregoing broad policy statements. Such services are required whenever a particular practical situation arises involving uncertainty either as to the real intent and content of the policy pronouncements, or the actions of any individuals or groups with respect thereto, or both. Once again, it must be said, the points at issue here may spread over the consumer as well as the producer sector, and include the personnel and the material features of the latter. Finally, there is the vitally important managerial task of executing and administering the terms of the officially prescribed policies. On this level of the enterprise's government, all that has been said and done in the preceding stages is brought into direct contact with the galaxy of concrete

details which characterize the daily events in the organization's life. Policies and programs here receive the final adjustments required for their adaptation and application to the varying circumstances of time and place. This is undoubtedly the area of management which demands the finest technical skill and the keenest sense of judgment. It not only deals with the Consumer and the Producer, in their personal as well as material aspects, but must determine the respective conditions of these elements in their full and final extent.

Such, then, are the main operations that enter into and comprise the management function. They remain ever constant irrespective of how the office is organised from the standpoint of the persons holding it, that is to say, whether this be on an autocratic, oligarchic, or democratic basis. The marks distinguishing these latter features spring from sources outside the office itself, from the people who act as the bearers of the office. We have already seen who the people of management are in a democratic economic system. What awaits showing is how these people interact upon one another.

The first thing that should be said about the managerial relationship between the different groups of interests in the enterprise is that each of these factions must be thoroughly though freely organized. Unless there is a common agreement, directing concerted action, under common leaders, in every one of these party divisions, little if anything can be done toward accomplishing democratic objectives. So far as the

Capital investors are concerned however, adequate provisions on this score have long been in existence. The institutional devices for the benefit of this group are well established, both functionally and legally. In the camp of labour, much progress has recently been made in this direction. Some of it has been effective enough to have succeeded already in measuring up to the organizational stature of their producer opposite numbers. But generally speaking, many improvements are still needed, and much heavy structural work yet remains to be done. Both the talent and the will in these regards, so necessary for the ultimate success of the movement, are readily and widely available within Labour's own ranks. Given the kind of positive co-operation that its self-endeavours and its social significance entitle it to, by employers, government, and other private agencies in society, an adolescent trade unionism can soon reach maturity. And when this occurs, a permanent as well as a potent boost will have been given to the resources of democracy.

The Consumer, we know, lags far behind his economic compatriots in this matter of organization. Scarcely anything worth noticing has yet been done to give this group the means of articulate and effective self-expression. Of course there are in being certain loosely-knit and vaguely defined consumer associations (consumer cooperatives are in an entirely different category) which have been working for some time to promote various phases of Consumer welfare. Then too, as some who read this will no doubt declare, there are countless governmental offices which are intimately concerned

with protecting and promoting the interests of the buying public. Can it be that something else is demanded besides all these bodies for an adequate handling of the Consumer's position in a democratic order? To every such inquiry as this, the only accurate reply is a resounding affirmative one. Yes, by all means, more is most urgently needed. Neither type of consumer service just described is equipped to perform the functions which a real economic democracy entails. The first is almost exclusively an informational or advisory agency, while the second is at best a remote and largely negative restraining force. What the purchasers of each and every sizeable enterprise's products must have, however, is a direct and dynamic promotion unit which can clearly make known its principals' preferences, and then adopt a continuing, determined attitude for the advancement of the same.

Once the preliminary work of internally uniting the several sets of economic interests in the enterprise is accomplished, it thereafter becomes possible to put the democratic management machinery in motion. The chief instrument used in this operation is the process of representative cooperation known commonly as Collective Bargaining. To follow with any success the workings of this system for the government of an economic community, it is necessary that one have an appropriate understanding of the distinction between the procedural and the substantive aspects of the managerial function. Without such a mental state, an observer is likely to find the ensuing explanation haplessly if not hopelessly confusing. Now the first thing that might

helpfully be said in this connection, aims at a better elucidation of the terms substantive and procedural. In the light of our present needs, it will be sufficient if we take the former to mean those matters over which managing authority is exerted, like the men and the materials engaged in work. Similarly, the latter factor should be visualized as covering the steps or the acts by which the same authority is exercised. Hence we may say that, substantively speaking, management operates upon the people and the things which are associated with the productive and the consumptive ramifications of an enterprise. While procedurally considered, management involves the making, interpreting, and the administering of policies or plans which relate to the foregoing people and things. Both of these sets of characteristics will have to be remembered and distinguished as we move along through the remainder of our discussion.

Collective Bargaining, it is probably well to state at this point, is a method of rational, voluntary cooperation, by two or more groups of persons, carried on through appointed representatives of these groups, in connection with objects having a common value for the respective groups. The chief subjective characteristics that this procedure implies in its participants include, a fresh and forward exchange of views, in a spirit of mutual respect and restraint, with an underlying willingness to accept a friendly compromise, within the limits allowable by traditional standards of mental and moral honor. In its objective features, the relationship calls for meetings,

discussions, debates, proposals, revisions, and finally, agreement. The complete operation is a manifestation of dialectical idealism at work in a practical social context.

To explain the way in which Collective Bargaining operates so as to provide a system of management based upon the principle of democratic pluralism, it seems advisable to observe a plan of exposition somewhat like the following one. The three main procedural lines of managerial action, directive, interpretive, and administrative, ought to be made the central elements upon which the bargaining mechanism is fastened. With this as the core of our explanatory pattern, we can then proceed to delimit the substantive contours of our system more exactly by distinguishing the internal production issues from their external consumption counterparts within each of these three active management provinces. At the same time, of course, it will also be necessary to run our substantive refining measures at least one step further, by differentiating in some degree between the material and the personnel components of production. In this fashion we will provide ourselves with a general picture of just what each of the three economic partners are expected to do in each of the three phases of an enterprise's management. Special emphasis should be laid here, however, upon an important note of incompleteness that must inevitably mark our efforts to separate sharply the respective substantive areas of management. Just how much of an enterprise's total operational program is

properly assignable to the category of internal production, and hence is subject to the primary control of Capital and Labour interests, and how much is classifiable as pertaining to external consumption, thereby bringing it under the predominant power of the Consumer, cannot be decided now with precise and permanent exactness. What is more, a similar state of indeterminateness is found to accompany the joint but severable relationship that binds together the material and personal interests inside the production zone. How far Capital's control extends, and where it begins to be superseded by the prerogatives of Labour, is a problem not entirely solvable by means of a general relational formula. Like any other concrete phenomena, only the most rudimentary qualities of these connections are capable of expression in terms carrying a general and more or less permanent validity. The remaining features, being so contingent, variable, and unpredictable, are entirely products of their particular times and places. For this reason, they are subject to constant review and revision in the light of experience gained from trial and error experiments. Such being the case, the lines of limitation upon the respective functional jurisdictions of the three parties-at-interest in the enterprise can only be indicated faintly and tentatively in our present description.

Turning, then, to an analysis of the Collective Bargaining mechanism, we consider initially what we have tagged to the legislative or directive phase of management, that operation whereby matters of policy or principle are determined. It is possible to distinguish

a general and a special branch of activities there. In the first type of legislation, pronouncements having a very basic import for the enterprise are issued. In the second instance, directions of a more specific and hence restricted nature are developed. Since the contents of the former would normally apply to conditions that embrace both the material and the personnel components of production, the principals of both these factors, that is to say, Capital and Labour, must play an equally important role in their enactment. This they will do through the medium of the negotiation, by the joint efforts of their accredited agents, of a mutually acceptable working agreement. The practical ramifications of the terms agreed upon here, however, will usually carry over into the sector of consumption and make a noticeable impression there. On this account, the Consumer acting through an authorized representative, must also be granted a voice, purely advisory in the negotiation proceedings. As pointed out previously, this does not imply intervention by the political authorities in the collective bargaining relationship, at least not inevitably and in the first instance. For the participating member on behalf of the Consumer visualized here will be a spokesman appointed by the buyers in individual enterprises, not by the state or the buying public in general. When the policy-making prerogative is exercised according to its secondary, more specialized purposes, so that its results are made to pertain either to production materials alone, or production personnel alone, or to the consumption interest by itself, each of the three separate parties

— Capital, Labour, Consumer — will manipulate the power independently, so far as their particular preserves are concerned. The probable list of subjects that would be appropriate to the first and higher category of directives are essentially those dealing with wages and hours of work, prices and profits on products, and quantities and qualities of the latter. On the second and lower policy level, the designation of subjects will be more difficult, due to the fact, as mentioned above, that the boundaries of the several jurisdictions will have to be arrived at by experimental means. Perhaps the best, or certainly the most, that can be said in this regard at the moment, is that Capital's representatives for directive operations will control the physical or material features of an enterprise, while Labour's agents for the same purpose set the standards on personnel, and the Consumers' leaders officiate on dominantly customer issues.

Directing our attention next to the judicial or interpretive side of management responsibility, where decisions are made in order to clarify the contents of policy statements, we again find it necessary to divide the general from the special, the basic from the secondary consequences thereof. The interpretations and applications referred to on this score normally occur in connection with the settlement of particular claims and grievances which arise from time to time out of the potpourri of events associated with the implementation of policy in the circumstances of daily routine. As a matter of fact, the term most frequently used to classify the series of procedures devised for the joint

handling of the problems in this area of management is that of Grievance Machinery. On the plane of fundamental managerial actions in this respect, where, as in the preceding directional instance, the results of every decision are inevitably projected into that precinct of the enterprise proper to all the interested parties combined, each of the latter should have their own independent representation on the body taking cognizance of the dispute. Here too, of course, in further similarity with the foregoing legislative practice, the agent of the Consumer group will serve in a consultant capacity only, with the decisive power being reserved to the more inherent province of Capital and Labour. And as is true of the Collective Bargaining practice with respect to the first managerial function, the full utilisation of this joint judicial practice can be best achieved when seeking settlements of disagreements over wages and hours, prices and profits, quantities and qualities of goods. When the cause of action rests on grounds of less comprehensiveness, so that its ramifications relate merely to one or the other of the relevant economic partners, then that particular party alone regulates the required proceedings and determines their outcome. Thus subject to the qualifications made before regarding the unavoidable incompleteness and inaccuracy of all such abstract assumptions, formed as they are outside the context of the time and place in which they occur, capital will resolve such conflicts over material items, labour will do the same on personnel points, and the consumer will naturally settle disputes involving purchaser prerogatives.

As a sort of third dimension, we know, management possesses an executive or administrative side. And it is right here, we saw earlier, that the most intensive demands are placed upon the enterprise's leadership. Those officials who handle this portion of the controlling reins are the ones who have the most to do with starting and sustaining the motion of an economic unit. In this connection, they must arrange to have the many policy principles of the organization brought into living contact with the host of varying practical situations that constitute what is described as the "round" of daily events, and in such a way, be it understood, as will assure the effectual realization of the policy's content amidst the welter of changing circumstances. There is certainly ample reason for calling this the most creative stage in the managerial process. Once more, let it be emphasized, there is need for segregating a broad, all-inclusive form of administration from a rather narrow, singularly confined counterpart. The dualism which was seen to begin with the directive phase of management, and thence carry over into the interpretive or applicative branch thereof, is thus found to reach its culmination in the sphere of executive action. And, as was true in those earlier cases, so too here does the first or general administrative operation embrace all three of the essential concerns of the enterprise-material, personnel, and purchaser. Since that is so, it requires a joint effort by the representatives of the three partners involved — Capital, Labour, and Consumer — to give it adequate effectiveness. This somewhat complex arrangement can be readily ac-

complished through the instrumentality of plant Work's Committees. It goes without saying that consumer participation at this point will continue to be purely advisory. Where, however, these administrative responsibilities assume a more limited and local significance, their obligations will be performed in each substantive sector of the enterprise by the primary party-at-interest there. Accordingly, Capital officials will administer the strictly material or physical aspects of the endeavor, Labour leaders will conduct the business of personnel administration, and Consumer custodians will prepare and present the legitimate demands of the buyers. In summary fashion, therefore, it may be said that, so far as the internal administration of an enterprise's production is involved, on this secondary level anyway, all technical, engineering, and materials' acquisition and distribution problems are subject to Capital's administrators. Within the same category of management, matters of personnel hiring, placement, training, promotion, together with their immediate supervision on the job, are the province of the Labour administrators. Which means that the purchasing, engineering, and shipping departments are preeminently territory inside Capital's domain, while the personnel department is part and parcel of Labour's possessions. In a final analysis of executive operations, of course, both of these sectional authorities are seen as working under the proximate and prevailing control of the tripartite Work's Committees.

It cannot very well be denied that a serious potential weakness is detectable in this democratic reordering

of the management function. Any person with a mature economic experience can visualize how such a bifurcation of producer authority makes it possible for a serious difference of opinion among the reigning powers, especially in the executive sector, to disrupt concerted action at a time when it is really most needed. And yet, is it not a fact, albeit an uncomfortable one, that such a risk as this is unavoidable in any area of society patterned according to democratic institutional forms. It is simply a practical effect of acceding to the autonomy of human freedom, which must ever labour under the importunities of human nature. Even so, and allowing for the fullest accomplishment of this danger, there is still likely to be less social harm, in the sense of radical injustice at least, brought about by it than has been true of those managerial methods devised and applied thus far. Whereas under the management system of a bygone era, it was Labour that suffered the chief hardships, while according to contemporary practices, it is probably the Consumer who most frequently bears the burdens of economic battles, though Labour continues to receive a goodly share of the brunt in many cases; here, by reason of the multiple safeguards suggested all three participants are assured of a more or less proportionate penalty when the intended order is disrupted, just as they are guaranteed a similar type of reward when its stability is preserved. But the democratic process is not altogether devoid of either the will or the ways for protecting itself from such danger, anymore than is the case in similar situations growing out of its other social applications.

Certain internal mechanisms to resolve self-defeating and paralyzing conflicts within the economic organism are provided. What is probably the most outstanding example of this resourcefulness in the present instance is the managerial arrangement whereby the Consumer interests are admitted to the councils which control the various phases of economic institutional life. By bringing organized consumer opinion to bear upon such disagreements "between" Capital and Labour as may regularly arise from time to time, even though this be in an advisory form only, a prolonged stalemate in hostile attitudes and actions should ordinarily be averted. When the Purchaser is prepared to speak in an outright and compact fashion, then as a practical matter, the Producer will ordinarily find it advisable to attend and to act accordingly. Not that the former will always and everywhere be able to assume this peace-making role by themselves. Effective governmental or public agencies will continue in demand as emergency aids available upon the failure of private measures. An essential point of distinction, as well as improvement it may be added, between this democratic structural pattern and other more traditional modes of organization, lies in the unique ability of the newer managerial methodology to remove, probably even prevent, breakdowns in an enterprise's affairs without a more or less automatic and necessary intervention by government forces. For there is what amounts to a self-contained procedure of conciliation and mediation inherent in this system. And the same set of factors that serve in this capacity may very well be utilized as arbitration

machinery besides. Hence the occasions when an enterprise will have to turn to outside sources for support of its efforts in maintaining essential self-control will be greatly lessened. These independence-strengthening implications which democracy promotes in economic relations clearly and emphatically advance the general well-being of a society. They further the application of the subsidiarity principle, which is a primary pillar in a peaceful and truly progressive social order.

J. S. Connor

REPORT ON SOUTH KANARA

The following notes are not intended as a complete report on the Community Projects and Extension Blocks in South Kanara. A balance sheet might be a too bold attempt for a friendly visiting social worker, whose chief desire is only to create interest and collaboration in all sections of the public with Free India's giant effort for winning "The Battle of Food." Destructive criticisms at this movement would be the "Unkindest cut of all"; I shall limit myself to a few constructive suggestions. They are suggestions of a well-wisher.

I. The unsolved agrarian problem is the main cause of unrest and poverty on which communism thrives and feasts.

The numerous landless or semi-landless population of South Kanara is not much interested in the improvement of lands and villages which do not belong to them.

The agrarian problem should be settled side by side or even ahead of all other plans, projects and extensions, if we wish the whole village community to take part in the great movement.

Absentee landlords, especially the new comers, are playing havoc with the wealth of the country, with development and especially with the peasantry.

Lands should mostly be settled with the tillers of the soil on a permanent and really proprietary basis according to a fixed ceiling for maximum amount of landownership, exception to be made only for social, educational and religious purposes. All villages must be made into capitalists, not into communists as at present and they should be organised on a truly co-operation basis of free land-owning-farmers of a free and democratic country. Some compensation to the land owners must be paid, but may well be delayed.

In industry also the cartel system of South Kanara makes some capitalists heartless money grabbers and loan sharks, without any consideration for the workers except for what is strictly enjoined by the letter of the Law. Creches and medical arrangements of several factories are an abomination.

II. Harijans are still greatly ignored, neglected or segregated in "Labour Schools". They do not seem to figure among the proposed chief actors of the projects. No attempt seems to be made to integrate them into the national life. Labour Schools should be suppressed, except if they serve children of all castes.

III. A great effort is being made by the staff of the Community Projects and Extension blocks. I myself have been witness of a great work being set on foot. Village uplift work is necessarily less sensational than building brick structures in urban areas. However the following points should be noted. There seems to be a colossal *delay in sanctioning* plans and projects. Red Tapism is putting a brake on progress. More local officials should get the necessary powers and responsibility e.g. Villages which long ago finished their promised 50% share of the proposed road, well, or hospital are still wondering how it is that Government is so slow in doing its share in cash or in kind by completing culverts and bridges etc.

IV. Nowhere else in India have I found finer village communities than in Karnatika, more willing and more able to co-operate in the mighty village movement planned by the Community Projects and Development Blocks. The social potential in educated women is higher than anywhere else mainly due to that great educational leadership of Convents.

More tact is required in the approach to the village communities by some workers of urban areas and in rallying the maximum of co-operation.

More use should be made of existing local educational and social centres run under private initiative rather than build expensive new ones. New ones ought to be built in centres where there is none.

Funds allotted should be spent in time. A colossal amount of money allotted for S. Kanara lapses and remains unspent. Existing private social and educational institutions should be generally financed.

V. Communications in South Kanara should be placed or replaced on the priority list of all projects and blocks. Something has been done. Much more remains to be done.

VI. Mangalore is an ancient city with an area of 7.9 sq. miles and a population of 1,17,095 within the city and 25,000 in the suburbs.

India's defence, trade, employment, culture, all the vital national items require that Government should proceed vigorously in finalising plans.

Vast populations, their agrarian and commercial produce are bottled up for months for want of this port.

VII. A second Bridge over the Netravati River is urgently required for opening up a whole country and breaking the isolation of villages.

VIII. A Railway link between Hassan and Mangalore is urgently required for facilitating exports and imports of Mysore and Coorg.

IX. The Mangalore Tile factory Industry should be helped in expanding its trade and should be directed

to treat labour better for the welfare of both Labour and Capital. There are 32 tile factories in Mangalore with an investment of over 2 crores of Rupees, employing 10,000 workmen and capable of employing many more.

The aggregate productions on an average is 850 lakhs. Of them 350 lakhs are exported outside the India Union to countries like Ceylon, Australia, Africa and Malaya.

A severe depression threatens the life of the industry and threatens to throw out of work not only the worker of the factories but also the worker employed in allied trades of excavation, transport of clay, of tiles etc.

As remedies, the following are suggested :

- (1) Australia and other foreign countries may be induced to reduce taxes with the help of our trade commissioners in these various countries.
- (2) Facilities and reductions in freight may also be arranged for inland transport.
- (3) Healthy Trade Unionism should be helped and not crushed.

E. De Meulder

AMERICAN SELF-CRITICISM

"For several hundred years the dominant emphasis in the economic life of the so-called Western world was placed, exaggeratedly, on personal rights and personal strength at the expense of human brotherhood. Similarly, in the larger field of political and economic action, the dominant emphasis was placed on national rights and national strength at the expense of international brotherhood. One might legitimately substitute here for personal strength and national strength the more theologically accurate words, personal pride and greed, and national pride and greed...

We are reaping the bitter fruits of the two great errors of our time. The one error magnifies and exaggerates the importance of the isolated individual without regard for the rights of others and without regard for the rights of the community. The other magnifies the group, — the race, the class, the nation — without regard for the God-given dignity and rights of the individual person.

If we in the United States have not yet fully repented and repented of the former error, we have done so in part. We have made a good beginning in our efforts to reconcile the rights of the individual in economic life with the corresponding rights of the community. Increasingly as time goes on, we are coming to recognize the importance of human brotherhood, and we are honestly striving to give it practical

expression in the economic institutions of our country. The tide has unmistakably turned in the right direction. A self-organised and self-governing partnership, by industries and professions, is definitely in the making. Let us hope and pray that labour, management, agriculture and the professions will do everything they possibly can to hasten its establishment, for the good of our own nation, and furthermore, as a shining example of Christian brotherhood to a world which is now being sorely tempted to sell itself into the slavery of totalitarianism for generations or centuries to come."

(From the 1953 Labour Day Statement, of the N. C. W. C.)

SOCIAL SURVEY

Tea and Tobacco

Andhra Desa has many problems to solve. One of the most urgent is the tobacco problem. Accumulated stocks are estimated at from 32 to 60 million pounds; prices have fallen between six annas and one and a half annas per lb; unfavourable weather destroyed or damaged this year's crop. The yield per acre is about one half of the European average, and the value of exports due to poor quality registered in 1953-54 a fall of Rs 1.32 crores. Many cultivators are forced to use tobacco as manure. On the other hand, Gujerati peasants grow one crop of fast-growing pulse and two tobacco crops for beedi-making. The dilemma is born :

should we smoke to help the poor tobacco-growers, or should they stop growing the weed to help our fight against lung-cancer in smokers ?

Tea is not doing better than tobacco. Exports went down last year by 15 million lbs, but prices went up. The Tea Plantation Labour Committee decided to do something for their workmen: drinking water, fitness certificates, holiday with wages, education facilities, etc. The labourers agreed to have rice rations replaced by a daily cash allowance up to As. 9 or As. 8 according to tea zones and rate of estate rice at Rs. 20 or 17/8 per maund.

Falling Prices

The food situation is improving. South of Tiruchirappally the price went down from Rs. 1/6 to 14 or 12 annas per Madras measure ; but Madras city does not register any fall and the government decided on the usual remedy : an enquiry committee. Cynics surmise that philanthropic merchants do not lower prices for fear that the common people might overeat themselves.

People who have a sweet tooth are anxious about the strike of cane-growers in Uttar Pradesh. A year ago cane-prices were forced down by the government ; the official price is Rs. 27 a maund, the real one 30 or 33. The growers felt keen on sharing the profits started a strike of the usual type : satyagraha, jail, etc., which extended to Bihar.

Teachers on the Street

After the cane-growers, the cane-wielders.—Calcutta witnessed a very unusual scene: a strike of

23,000 teachers of Bengal responsible for 800,000 pupils of secondary schools. Their grievances were as follow : graduate but untrained teachers have a salary of Rs. 40, 50, or 50 a month though some may after ten years reach up to Rs 70 ; besides a dearness allowance of Rs. 10. Many were forced to resort to private tuition to the great damage of their classes. The teachers pleaded for a strict compliance with the recommendations of the Secondary Education Board which advised a D. A. of Rs. 35. Negotiations were conducted by the All Bengal Teachers Association, but the Bengal government agreed only to an addition of Rs. 7/8 as D. A. and of Rs. 10 to the salaries of untrained teachers. The A. B. T. A. was not satisfied and declared a strike. A procession was taken through the Calcutta streets ; when stopped by the police, it developed into a general squatting down in one of the main thoroughfares, stopping all vehicular traffic. This began on February 11th. In the early hours of February 16th, the police arrested 250 of the squatters and dispersed the crowd ; a procession marching on the Assembly House was also stopped in the afternoon ; then followed the usual story : resistance, brickbats, tear-gas shells, lathi charges, outbreak of violence all over the city, shop-windows smashed, trams and buses stopped and set on fire, police shooting, military patrols, etc. It was a regular pandemonium in several quarters for two days. Motions and questions in Calcutta and Delhi assemblies; negotiations, compromise, calling off the strike. Balance : six killed, many wounded on both sides, heavy damages to property ; release of the arrested

teachers, grant of Rs. 17/8 as D. A. and an additional salary of Rs. 10 to untrained teachers.

Popular sympathy was with the claim of teachers, and popular abhorrence against civic disorder and official wobbling. The whole incident was a second victory for the Red forces (after the tramfare disturbances of last July). The Communist tactics followed a well-known plan; sponsoring of a real grievance, union of most of the leftist forces, whipping up of popular indignation, street demonstrations carried to breaking point, resistance to the police, and then methodical riots in well-scattered quarters. After a compromise is secured, congratulations to the people, and, in spite of the leader taking an inglorious refuge in the assembly House during the troubles, monopolising of success. Sober minds are exercised by several questions on strike and disturbance. Why the delay in granting the concessions? Why allow traffic interference during several days? Why the delay in using sufficient force? Why the pathetic resignation of the public to hooliganism of youths and street urchins? Why tolerate a party wedded to violence and to foreign allegiance? The Madurai Communist Congress has left no doubt about the revolutionary purpose of the party. Nothing less than the overthrow of the present government will satisfy them, not even the garlands and parties showered on Soviet cultural, artistic, commercial missions and delegations.

Our Neighbours

Let us see what is happening beyond the frontiers of the Indian Republic. First an agreement between

India and Ceylon somewhat lessened the tension between the two countries. Henceforth collaboration on both sides will render illicit emigration more difficult if not impossible; next people of Indian origin resident in Ceylon who have their names registered, finally the people of Indian origin who are not already on the electoral roll will be written on a special register. Any person speaking an Indian language and whose name is not on the special register will be deemed an illicit emigrant. Those whose names are on the special register will have the right to elect a certain number of representatives. The others will have every opportunity to register themselves as citizens of India. During a period of 10 years people may continue to remain nationality-less. If there are still many dark spots the general atmosphere is clear and one may hope for a peaceful solution of the conflicts.

Those conflicts are born of narrow nationalism, it is hoped that with the time it will lessen and disappear. Meanwhile in Burma we see another instance of the same spirit in the law passed for the "Nationalization of all lands". Compensations are offered to the tune of 12 times the annual revenue up to the first 100 acres, 11 times for the next and so on till one reaches twice the land revenues for 1,100 acres, and above Rs. 3 per acre will be paid. The Chettiar community, the biggest landlords of Burma, holding about 3 million acres, or 20 to 25% of the best lands (representing a value of 90 crores) hoped that after the visit of the Indian Commission in December the compensation would be raised from 8 to 15 times the rental for the

first 1,000 acres of land. It would have cost from 9 to 10 crores to the Burma Government; actually the proposal will reach only 3 crores. Naturally Burmese having smaller holdings will be proportionally better paid. Before shedding a tear over the injustice done to the Indian Bankers perhaps would it be good to inquire objectively about the means they used to enrich themselves. We have no doubt they were legal ones. But legality is not everything.....

There are other conflicts, for instance, the water dispute with West-Pakistan. Doubtless the Commission about the water question has rendered a Solomon judgement, by giving three rivers to Pakistan and three to India but failed to work a joint agreement for the development of the hydraulic project. Pakistanis and Indians try in their own way to solve their grievances in passing from one country to the other without hampering the regulations. 7,000 were caught in one year, and 6,595 prosecuted. But how many more have passed ?

Our Jails

The desire to change one's surroundings works also among the poor in India. Last year 7,119,797 ticketless travellers were detected and 251,847 were prosecuted, bringing only Rs. 469,800 to the treasury. In a Central Jail this kind of offender represents 65% of the inmates; of this number 60 to 90% are pushed to change their domicile on account of poverty, the rest out of ill will. Quite recently two Sadhus felt quite

indignant when, without any respect for they yellow robes they were manacled for ticketless travelling.

Next to ticketless-travel Prohibition gives a jail its greater number of offenders. About 12% in a Central Jail. 66% working against the law on account of poverty, 34% by desire of getting a drink. Since both categories of offenders have not really committed any heinous crime they will not be kept more than a few weeks. Not enough time to be drilled into a job so that their stay is altogether useless to the Government.

Robbery comes next to account for 7% of the prisoners, as many as faults against police regulation. Again here absence of resources or of social surroundings is one of the chief causes of the clashes with the law. Major crimes come then only for a small proportion of the cases. It is true that many of the offenders escape detection. The Defence Stores Department was obliged to write off Rs. 3 crores, out of which 1.25 crores were the result of theft and fraud and other irregularities. In all those cases the root of many crimes is want of moral upbringing. This is notably conspicuous among children offenders. The last census of the Madras Police counts 7,500 mendicants out of which 2,000 were children.

From Delhi came the disturbing news that yearly 150 children are kidnapped. It is very easy to veil one's face in horror but is it sufficient? To all the question should be put: "What are your reactions towards a prisoner? towards a youthful offender?"

When he comes out of jail or of reformatory many could do much to help in procuring work, in showing sympathy.

Our Labour

The want of sufficient means brings out the importance of the social question. Workers of the Hirjee Mills at Bombay protested because in March the wages for January and February had not been paid on March the 15th, despite the promise made by the Management. They and their families had to live, and to incur debt in order to buy the necessary commodities. Only the sawcars will help them to tide over the difficulty but in enslaving them a little more. For 8,000 silkworkers of Bombay the situation is even worse. To protest against the tax imposed by the Finance Minister, 126 art-silk mills closed down, and it is probable that 85 mills of Surat will licentiate their 6,000 workers and so also in Ahmedabad, etc..... If the measure is taken on account of absolute impossibility to carry on trade with this extra burden of new taxation, nothing much can be said against it ; but if it is only a means of making pressure on the Government we are sorry to see that the pressure will be first brought on the stomach of the workers and their wives and children. This brings home the necessity for the workers to belong to a Trade Union. The recent statistics give : Indian National Trade Union Congress 587 Units with 18,258 members ; Hind Mazdoor Trade Union 220 Units with 373,459 members, All-India Trade Union 334 Units with 210,914 workers ; United Trade Union 154 groups for 129, 242 members.

This multiplication of Trade Unions does not work for a united front. The Communist-led group though second in importance is certainly the most active to work for the labourers, but as V. B. Karnik, a non-Communist from Bombay remarked "the Communists try to widen the gulf between social classes and do not really care for the welfare of the workers." His conclusion was: "It is absolutely necessary to divorce Trade Union from politics, and to make them concentrate on social questions". But is it always possible? Some reforms can come to a head only through political parties. Up to now the Indian Trade Unions have not sufficient workers able to take the direction of their Unions. As long as Trade Unions will be obliged to rely for direction on non-working educated people, it will be difficult not to be tied by a political party.

V. B. Karnik found also that the actual procedure to appeal to Government has transformed Trade Unions into legal chambers. He is not alone to complain about the present legislation. The Federation of Chambers of Commerce in the Delhi meeting found that Labour disputes should not be settled by a third party. The labour tribunals instead of bringing people together leads them away. They remarked also that the number of cases has been on the increase. On that score we should not share the regrets or the indignation of the Chambers of Commerce. When one knows the real situation of the workers, and often the ill-will of the Managements one finds that there is room for many other actions. On a special point the Federation of the Chambers of Commerce emphasized its protest,

namely the fact that according to law no dismissal may take place when a case is pending before the Labour Tribunal. They think that employers should be able to take disciplinary action in matters not connected with the suit. If this was conceded one could be certain that it would be easy to get rid of those who are a thorn in the flesh of the capitalists. Already there is the tendency of victimising the Trade Union leaders or other Social leaders, so that workers of 50 Trade Unions (5000 members) at Bombay had to protest against what seemed a settled policy to diminish them.

We are far from the relations of husband and wife which Mr. Bharat Ram of Delhi gave as the ideal for the relations between Labour and Capital, when he adjured legal people not to come as third party in a family dispute. This would suppose that there has been love between them.

The Government of Madras tries to be motherly towards its own poor and landless servants. Land will be distributed to them. It is a reverse of the policy which was followed up to now not to appoint any Government servants where he has some special financial interests. This distribution of land will not prevent a Government servant from being transferred anywhere, it is enough if the land is cultivated, at least by a member of his family or by a hired servant. Let us hope that the land will continue for long years to come to bring food in abundance.

E. Gathier

al
ne
ld
ot
ne
of
s.
le
rs
o
h

e
or
e
a
s

y
ll
y
y
t-
t
-
t
t
o